

Statement of Harriet Enrique

On March 14, 2007, Harriet H. Enrique, employee of Bureau of Conveyances (BOC), Department of Land and Natural Resources (DLNR), telephone (808) 587-0151, and (808) 551-0052 was re-contacted by Hilton J. Lui.

Upon contact Enrique advised that Faith, who is Angie's sister, last name is spelt Hermaglio. Angie, her sister may be still a receptionist for Security Title Company.

Enrique explained in a time share situation, there are 52 different owners of a unit for the 52 week period in a given year. Therefore there should be 52 deeds for any given unit. Enrique also added there is also fee simple and leasehold ownership; therefore there are fee simple and leasehold timeshares. Each person(s) who own a week is issued a certificate of title in Land Court. Every one of the transactions for any given apartment and period should cost \$25 to record and \$25 for the issuance of this certificate which is called a Transfer Certificate of Title (TCT). Enrique advised Relative to the Marriott transactions that Kaiulani Lambert was referring to this investigator, their TCT book showed no additional charges for issuance of the CTs. Enrique added they do not have the audit tape going back to 1995, but maybe their fiscal department could find the copies and verify whether payment was made or not at a later date for the issuances of the CTs. There is great possibility there were no payments.

Enrique advised that Watanabe's son's name is Blane Watanabe and his age is about 27 years of age. Enrique did not know what University he went to but it was somewhere on the west coast, either Washington or Oregon. Enrique added one day after

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Watanabe took Blane to school while in his office Watanabe told her that Blane got a job at a Marriott. Enrique questioned Watanabe how did that happen because Blane came straight from high school and Watanabe told her that he, Watanabe could stay at any Marriott for free, anywhere, at any time because he had done something for them. Enrique then asked what he did and Watanabe added it doesn't matter and blew it off, but Watanabe added that Blane walked into the Marriott near his college, saw the Manager at the Marriott, didn't have to fill in an application, didn't go to any interview and was hired right on the spot. This was Watanabe's conversation with her. This made her suspicious and therefore she started looking at the Marriott transactions. Enrique added that Marriott would record in bulk and she could not tell if Marriott did not get charged except by looking at each deed which is time consuming. Enrique added everybody gets charged except for government transactions which are gratis. They, the employees do not have powers to waive fees, except only for one other condition and that is if they initially collected the fee and found out them, the BOC had made an error. Then the second time they come in to record the transaction that is gratis. If the escrow company makes an error and it needs to be corrected they need to go through the "amendment process" and pay the recording fee again. That is why Enrique feels Bradford Ishida as well as others come to make the corrections. They also do not want to wait. Enrique added title companies are insurance companies to insure the proper recording of properties. Technically Enrique added the title company should call all parties to sign again when an amendment is made acknowledging that a mistake was made on the first one, make the correction and re-record for \$25 more. Enrique however, added the title companies call Nicolene Gega-Chang or whoever has authorization at Land Court and inform them

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that they are missing pages for what ever transaction and say that they are going to bring it down so it can be re-scanned, causing the old one to be replaced by the corrected one. Enrique added this is being done, but it shouldn't, because they should come in and re-record the correct one, through their established channels. Enrique further added if someone sold a property to someone else, and Title Guaranty or any other title company screwed up and a Mortgage was taken out on the property, technically in the time frame where the amendment is being done, the Mortgagee is still paying the Mortgage but is not really the owner because the transaction is not correct. Say one week later an amendment is made but the title company screwed up. Title companies are title insurance companies, and they should have underwriters who should make them liable for that week or so that it was not properly recorded. If the mortgage is a million dollars there is a humongous amount that the title companies have to absorb. Enrique emphasized however, if they have "connections" at the BOC, you can just change it and nobody knows the difference because they just go to the original document and just put on the corrected stuff and just re-scan so the title company is in the clear and nobody knows of the change.

Enrique added that the BOC is the gate keeper for millions and millions of dollars of transactions each day. The changing of pages for documents without going through the right channels is not appropriate or not ethical.

Enrique noted that GECC is a company who finances many short term loans. GECC created a subsidiary company which was called something like GE Financial and wanted to assign every mortgage that GECC owned to that subsidiary without citing

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any mortgage number and without citing any TCT but just by renaming it. Enrique added GECC was told that they couldn't do that as the law says you need to cite mortgage number and CTC number for each mortgage. Enrique advised however, Watanabe got involved and told GECC to petition Land Court Judiciary, but Watanabe was told that it could not be done that way. Enrique then added Watanabe had a brilliant idea to have it recorded in their Regular System just as a notice that every page where the name of GECC is, it is assigned to the new subsidiary. Enrique questioned Watanabe about his recommendation and made him aware that he denied the BOC to receive funds it should have received and they should have collected \$1 for each TCT over and beyond the first five. Watanabe said, "I saved them money," but Enrique countered but you didn't give them justice as the title companies are not going to pick them up on their insurance policies. Furthermore when the Subsidiary comes to release the mortgage in land court the release is not to be taken because in their eyes the mortgage is held in the name of GECC and not the subsidiary. Enrique added Watanabe put GECC in a terrible situation. Enrique added Watanabe fooled GECC to think through his expertise he was saving the company money, but in essence Watanabe's duty is not to save anyone money but to say whether this is recordable or not. Enrique advised the reason why Watanabe does things like this is because Watanabe loves the "bravado," and the attention. Enrique added once an old mom and pop came in at the counter after closing and he just went up to them accepted the paperwork and gave it to one of the workers to do and then told them that they need not pay. Enrique added Watanabe just likes the attention and thinks he's getting connections for it.

Enrique added they have a Special fund to finance their staffing positions, supply and

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equipment. Out of every \$25 recording fee the BOC only keeps \$7 and the rest goes to the General fund. Watanabe went to the legislature without telling anyone and caused a ceiling of \$500,000 be put on the Special fund. Therefore every June 30th the excess is dumped into the General fund. Enrique figures why he did that. After every year the Governor tells each department that there will be a shortfall of "x" amount of dollars, and that they should cut something but make up the difference. Watanabe put up the difference from the BOC for DNLR, the whole department, therefore Peter Young didn't have to cut positions, or cut back on equipment. Enrique added that is how Watanabe earned the position with Peter Young and that is why Young is beholden to Watanabe. In essence Watanabe balanced the budget for DLNR. Enrique added that the BOC operating cost is 10% which she added is a phenomenal amount.

Enrique added all of their positions are paid by their Special fund and the Special fund is not controlled by the legislature, so she has asked, "Why can't they just go and hire who they want?" They did go however to the legislature last year to have an increase of five positions who Young lobbied against and it died. In the legislature this year Young is introducing the identical same bill which is requesting the same five positions and he is supporting it. When the bill passes Young wants the glory. Enrique added that people's ego is getting in the way of the BOC progressing.

Enrique provided a certificate for Launani Valley III. The developer built this building called the Luanani Valley Condominium and started selling apartments to everybody and therefore there were hundreds of certificates emerged from this master certificate. The certificate is for the merger for phases I, II and III and the developer

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is saying he is merging all the phases. Enrique learned that they were issuing from a merger document which they should not have. Enrique added she can tell what was collected and it was a mere \$25. There was to be 152 certificates and it was not done. Enrique added the Document 2235007 shows no additional charges for issuances of CTs 458,814 through 458,966. The amount that should have been collected was \$3,800. The TCT book shows the above listed TCTs as being issued on 6/30/95 but the cashier print-out was checked and although the CT's were issued, no document number was shown or charges noted. Enrique added that the audit tapes are not available going that far back, maybe fiscal could find copies or see if there was an unusual high deposit of \$3,800 or not. Enrique feels Watanabe is responsible for this.

Enrique also provided documents which included two copies of a contract with Notice to Proceed, Job ICS-FY-99-52 which is contract number 46716, dated March 20, 2000 whereby Title Guaranty were to provide services to develop and implement a Replacement Land Court and Regular Automated Tracking System for the State of Hawaii. Included in Appendix B were the term of the contract which noted it was for a nine month period beginning August 2, 1999 and ending March 21, 2000. The paragraph also mentions "Subsequent Supplemental Agreements" may be executed for Phase 2 and post implementation support, with final completion of all work and termination by December 31, 2004. Enrique is not aware of its origin or its status. Also provided by Enrique were billing by Title Guaranty which she feels is very suspect. Included was also other communication relative to payment of the invoices. Enrique is not aware of its origin or its status. Their Fiscal (DLNR) included this in their investigation and a report was submitted condemning their accounting practices. Relative to

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the bills or invoices received, it appears to Enrique that the BOC is buying back images it provided to Title Guarantee. Watanabe has been paying the invoices for a long time.

Enrique also provide copies of telephone bills Hawaiian Telecom for period 3/19/06 through 9/18/06 for telephone number 587-0117, telephone used by Carl Watanabe, which she suspects is excessively high since Watanabe moved upstairs.

Lastly Enrique advised there is a transaction on the Transfer Certificate of Title (CTC) for Richard Smart of Parker Ranch which was dated December 3, 1948. This shows that Smart owns the listed property as an individual. Enrique's concern was the Declaration of Trust on page 339. When a person owns a certificate of property by himself and passes away there is a procedure in Hawaii Revised Statutes 151-73 about probate and about descendents lines and tell exactly what the BOC is required to have when a person owns property and dies which is a Statement of Facts, if there is a will and a certified copy is needed, an order admitting the will to probate, order of distribution pursuant to the will. If the person dies without a will they still need a statement of facts, an order of probate, an interstate hearing because they know who the heirs are, order determining the heirs, and order distributing to the heirs. There is no other way you can convey property if there is a single owner. In the Smart case they did. They distributed Richard Smart's property by this land court order. First of all, they put on the document, "Declaration of Trust," which they never note a Declaration of Trust on a certificate of title. Enrique advised the handwriting is Sandra Furukawa's handwriting as she has seen it for years. But it was signed off by Nicolene Gega-Chang. This was recorded on June 4,

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2002. Interesting enough in 2002 Furukawa was long gone and left the BOC in 1997 or 1998. Enrique questioned, "What is Furukawa writing on their records?" Furukawa should not even be there tampering with BOC documentation. Enrique questioned, "how come they didn't get the proper paperwork and do it like they do every other transaction?" Furthermore, Enrique added that June 4, 2002 was her date and every Assistant Registrar is assigned a date, and she never got the document. Enrique couldn't figure why it went around her and why didn't she get it? Enrique provided a copy of the page which includes the entries by Furukawa and Gega-Chang.

Enrique also advised at the time that the HGEA employees went on strike they had three vacancies at the Assistant Registrar level (those who writes the Transfer of Certificate Titles). During that time when they were on strike Furukawa and Watanabe announced, interviewed the people, hired and promoted three individuals. It became suspect. Those hired and promoted were Carol Ching, Susan Okamoto, and Nancy Geiger. The connection with Ching was that she was Watanabe's former girlfriend, Okamoto was Furukawa's son's friend and Geiger was an emergency hire secretary and was not even permanent employee. Enrique added in their office one of the top positions is to become an Assistant Registrar. To become one you must work up through the ranks and know what happens there at the BOC. This is because you are sworn in by Court to uphold the laws of Land Court and knowledge of those laws are important. It is a highly esteemed position. Watanabe however, when he came aboard watered down their creditability. The Union then became involved and stated that they were improperly recruited for. In the arbitration there is a transcript says about Carl's affair with Carol Ching, show the collusion between Furukawa and the

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secretary and other personnel. Charles Khim was their attorney and he may have copy of it. This was early 1995 possibly 1996. This case was settled and it was such that Carol Ching stay at the BOC, but the other two girls were to be re-recruited. Therefore Susan Okamoto had to re-apply, but Geiger left to the big island. Okamoto then got one of the other positions. Susan DeJesus also applied and got the last position. The dilemma currently is dates when the three individual started. Ching's entry date was noted before the strike when she first was recruited. Okamoto when she had to re-apply her date goes back before the strike, but DeJesus's date is one year later when she passed probation. Being that Okamoto quit, Ching and DeJesus are vying as to who is the senior person.

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